

The Constitution and By-laws of the Financial Literacy Trust Board

ARTICLE I - NAME AND AUTHORITY

Section 1. Pursuant to Section 2 Article 3, Chapter 29, Title 59 of the 1976 South Carolina State Code, the name of this organization shall be the Financial Literacy Trust Board (FLTB).

Section 2. The South Carolina General Assembly has established the South Carolina Financial Literacy Board of Trustees, an eleemosynary corporation, which shall oversee the South Carolina Financial Literacy Initiative, a broad range of innovative financial literacy services, to meet critical needs of South Carolina's students in kindergarten through twelfth grade through the awarding of grants to school districts.

Section 3. The authority has been provided by Section 59-29-440, which established the South Carolina Financial Literacy Initiative, a comprehensive, results-oriented program for improving financial literacy by providing public and private funds for teachers in the state's public schools to provide high-quality financial literacy education for students in kindergarten through twelfth grade.

ARTICLE II - PURPOSE AND OBJECTIVES

Section 1. Pursuant to Section 59-29-450, the purpose of the Financial Literacy Initiative is to develop, promote, and assist efforts of agencies, private providers, and public and private organizations and entities, at the state level, to collaborate and cooperate in order to focus and intensify services, assure the most efficient use of all available resources, and eliminate duplication of efforts to serve the financial literacy needs of students, teachers, and schools.

Section 2. The South Carolina Financial Literacy Board of Trustees shall assure that collaboration and the sharing and maximizing of resources are occurring before funding for the grants, as provided for in this chapter, is made available.

Section 3. The goals for the South Carolina Financial Literacy Initiative are to:

- (1) provide students in kindergarten through twelfth grade with tools they will need in the real world to manage their finances;
- (2) increase comprehensive services so students have reduced risk for financial failure after high school; and
- (3) promote high quality programs that provide instruction on pertinent financial literacy issues.

ARTICLE III - MEMBERSHIP

Section 1. The board is composed of eight voting members to be appointed by the Superintendent of Education. Initial appointments must be made by the Superintendent of Education with members representing areas of financial literacy instruction. Subsequent appointments must be made by the Superintendent of Education from a slate presented by the sitting members of the board.

Section 2. The terms of the members are for four years and until their successors are appointed and qualify, except of those first appointed. When making the initial appointments, the Superintendent of Education shall designate half of his/her appointments to serve two-year terms only. Terms will coincide with the calendar year, January 1 to December 31 of odd numbered years, beginning in 2007.

Section 3. The members may elect to designate an associate, colleague, or representative to serve as a proxy on his/her behalf to represent him/her place at regularly scheduled meetings. The proxy will have the authority and voting responsibilities as the appointed member of the South Carolina Financial Literacy Board of Trustees.

Section 4. Vacancies for any reason must be filled in the manner of the original appointment for the unexpired term as described in Article III Section 1. No member shall serve more than two terms or eight years, whichever is longer. Members who miss more than three consecutive meetings without excuse or members who resign must be replaced in the same manner as their predecessor. Members may be paid per diem, mileage, and subsistence as established by the board not to exceed standards provided by law for boards, committees, and commissions. A complete report of the activities of the Financial Literacy Board of Trustees must be made annually to the General Assembly and the State Auditor.

ARTICLE IV - DUES

Section 1. There shall be no dues assessed for membership.

ARTICLE V - OFFICERS

Section 1. The South Carolina Financial Literacy Board of Trustees must be chaired by the State Superintendent of Education or his/her designee, who shall serve as an ex-officio voting member of the board.

Section 2. The South Carolina Financial Literacy Board of Trustees will elect officers from its membership to serve as a co-chair, secretary, and treasurer.

ARTICLE VI - DUTIES OF OFFICERS

Section 1. The Chair, the State Superintendent of Education or designee, shall preside over the meetings of the Financial Literacy Trust Board of Trustees. The Chair shall be responsible for such other duties as may be usual and customary to this position, including the identification of committees and the membership of such committees.

Section 2. In the absence of the Chair, the Co-Chair shall exercise all the duties and functions of the Chair. The Co-Chair, along with the Treasurer, will have the joint signature authority for the fiscal affairs of the FLTB.

Section 3. With the support of Department of Education staff, it shall be the duties of the Secretary to keep all records, to attend to the correspondence and to perform such other duties as pertain to that office, including public relations efforts.

Section 4. It shall be the duty of the Treasurer to monitor and manage secured funds, forward funds to the South Carolina Department of Education for allocation purposes, and oversee the expenditures approved by the members of the Board of Directors. The Treasurer, along with the Co-chair, will have the joint signature authority for the fiscal affairs of the FLTB.

ARTICLE VII - ELECTION OF OFFICERS

Section 1. The co-chair, secretary and treasurer are to be elected by the Board membership each January for a one-year term. There shall be no limit to the number of consecutive terms a Board member may serve as an officer.

ARTICLE VIII - MEETINGS

Section 1. The Board of Directors shall hold at least four meetings annually, with dates determined by the membership in January of each year.

Section 2. The Chair may call special meetings of the FLTB.

Section 3. The Secretary will provide written notice of the time, place, and tentative agenda for all FLTB meetings. Communication to members will occur by electronic means one month before the meeting date.

ARTICLE IX QUORUM

Section 1. A quorum for scheduled or special meetings of the Board of Directors shall be those members present, provided proper announcement circulation has been complied with as indicated in Article VIII.

ARTICLE X - AMENDMENTS

Section 1. Amendments to this constitution may be proposed by filing a copy of the proposed amendment with the Chair at least thirty (30) days prior to the meeting at which the amendment will be considered.

Section 2. The Chair shall circulate the proposed amendment among the membership at least fifteen (15) days prior to the meeting at which the proposal will be considered.

Section 3. A two-thirds vote of the member representatives present and voting shall be required to effectuate an amendment to this constitution.

ARTICLE XI BY-LAWS

Section 1. The Board of Directors may enact such by-laws for the conduct of its business as it may deem necessary.

Section 2. Upon proper notice, the by-laws may be amended by a majority vote of the members of the Board of Directors at any regular or special meeting called for that purpose.

Section 3. By-laws or changes in the by-laws may be proposed in writing by any member designee of the FLTB in the regular meetings of the Board.

Section 4. By-law proposals or amendments will be forwarded to all members of the FLTB and will be considered at the next meeting of the Board.

ARTICLE XII RULES OF ORDER

Section 1. On all questions of parliamentary law not specifically covered in the Constitution and by-laws, *Roberts Rules of Order, Revised*, shall be the governing authority.

ARTICLE XIII UTILIZATION OF FUNDS

Section 1. No state funds may be used to support or operate the Financial Literacy Initiative's Board of Trustees. This prohibition does not prevent the Department of Education from housing the offices of the Financial Literacy Initiative.

Section 2. A separate fund must be established to accept non-governmental grants, gifts, and donations from a public or private source for the South Carolina Financial Literacy Trust.

Section 3. The South Carolina Financial Literacy Board of Trustees shall administer and authorize any disbursements from the trust. Private individuals and groups shall be encouraged to contribute to this endeavor.

Section 4. The State Treasurer shall invest the monies in the Financial Literacy Trust in the same manner as other funds under his/her control and all interest derived from the investment of these funds shall remain in the trust.

Section 5. All funds may be carried forward from fiscal year to fiscal year and all interest derived from the investment of the funds shall remain a part of the trust.

Section 6. No part of the net income, revenue, or grants of the FLTB shall accrue to the benefit of any member, officer, or private individual except in payment for requested services rendered in connection with Board's objectives and activities as described in Article III Section 4.

ARTICLE XIV- ACTIVITIES AND FUNCTIONS

Section 1. All activities of the FLTB shall be in support of the purpose and objectives indicated in Article II.

Section 2. To carry out its assigned functions, the board is authorized, but not limited to:

- (1) develop a comprehensive long-range initiative for improving the financial literacy of students in kindergarten through twelfth grade;
- (2) promulgate regulations, establish guidelines, policies, and procedures for implementation of the South Carolina Financial Literacy Initiative;
- (3) provide oversight on the implementation of the South Carolina Financial Literacy Initiative at the state and school district levels;
- (4) establish criteria and procedures for awarding grants from the Financial Literacy Trust;
- (5) create an annual revision of school district needs assessments and identify assets from other funding sources;
- (6) assess and develop recommendations for increasing the efficiency and effectiveness of financial literacy programs and funding and other programs and funding sources, as allowable, as necessary to carry out the Financial Literacy Initiative, including additional fiscal strategies, redeployment of state resources, and development of new programs;
- (7) establish results-oriented measures and objectives and assess whether services provided are meeting the goals and achieving the results established for the Financial Literacy Initiative;

- (8) receive gifts, bequests, and devises for deposit in the Financial Literacy Trust; and
- (9) report annually to the General Assembly by January first on activities and progress to include recommendations for changes and legislative initiatives and results of program evaluations.

ARTICLE XV - ESTABLISHMENT OF STAFF SUPPORT

Section 1. The South Carolina Financial Literacy Board of Trustees may employ, by a majority vote, a Director of the Financial Literacy Office and other staff as necessary to carry out the South Carolina Financial Literacy Initiative and other duties and responsibilities as assigned by the board.

Section 2. With the approval of the board, the director may hire staff necessary to carry out the provisions of the initiative.

Section 3. Within the Department of Education, an Office of South Carolina Financial Literacy is established. The office shall:

- (1) provide to the board information on best practice, successful strategies, model programs, and financing mechanisms;
- (2) provide technical assistance and recommendations regarding grant proposals and improvement in meeting goals;
- (3) recommend to the board the applicants meeting the criteria for Financial Literacy grants to be awarded;
- (4) submit an annual report to the board by December first, which includes, but is not limited to, the statewide needs and resources available to meet the goals and purposes of the Financial Literacy Initiative, the ongoing progress and results of the Financial Literacy Initiative, fiscal information on the expenditure of funds, and recommendations and legislative proposals to further implement the South Carolina Financial Literacy Initiative;
- (5) provide for ongoing data collection and contract for an in-depth performance audit due January 1, 2010, and every three years thereafter, to ensure that statewide goals and requirements of the Financial Literacy Initiative are being met; and
- (6) coordinate the Financial Literacy Initiative with all other state, federal, and local public and private efforts to promote and improve financial literacy.

ARTICLE XVI - ESTABLISHMENT OF GRANT AWARDS

Section 1. The South Carolina Financial Literacy Board of Trustees shall establish a process for awarding grants to support the initiative.

Section 2. To obtain a grant, a school district shall submit an application to the Financial Literacy Office in a format specified by the Financial Literacy Board of Trustees. The application shall include, as appropriate to the level of grant applied for, the level of funding requested, a description of needs of the school, assets and resources available, and the proposed strategies to address needs as they relate to the goals of the Financial Literacy Initiative.

Section 3. The allocations for the grants must take into consideration the quality of the grant proposal, the percentage of students who are eligible for the free and reduced price lunch program, and average per capita income. The criteria also must take into account the standing of the geographical area in relation to the statewide Kids Count indicators.

Section 4. Grants provided to school districts must be used to address the financial literacy needs of students in kindergarten through twelfth grade. Grant funds may not supplant current expenditures by counties or state agencies for financial literacy, and may not be used where other state or federal funding sources are available or could be made available. In awarding grants, every effort must be made to ensure that all geographic areas of the State are represented.

Section 5. To ensure effective use of funds and with the approval of the Financial Literacy Office, awards may be carried forward and used in the following fiscal year. Funds appropriated to the Financial Literacy Trust also may be carried forward into subsequent years.

Section 6. The FLTB shall establish a process to ensure that the funds granted to districts are used in accordance to the award. As described in Section 59-29-560:

- (1) Schools shall demonstrate to the Financial Literacy Office the accountability of funds distributed pursuant to this chapter.
- (2) Disbursements may be made only on the written authorization of the individual designated by the school district and only for the purposes specified. A person violating this section is guilty of a misdemeanor and, upon conviction, must be fined five thousand dollars or imprisoned for six months, or both.
- (3) The offenses of misuse, misappropriation, and embezzlement of public funds, apply to this chapter.

Section 7. The Financial Literacy Board of Trustees shall establish internal evaluation policies and procedures for an annual review of the implementation of strategies and progress toward the interim goals and benchmarks. In instances where no progress has been made, the Financial Literacy Board shall provide targeted assistance or the board may terminate the grant. In addition, a program evaluation of the Financial Literacy Initiatives at the state and local levels must be conducted every three years by an independent, external evaluator under contract with the Financial

Literacy Board of Trustees. However, the selected evaluator must be approved, and the evaluation overseen, by a committee consisting of three members, one appointed by the Financial Literacy Board, one appointed by the Chairman of the Senate Education Committee, and one appointed by the Chairman of the House Education and Public Works Committee. These committee members must be professionally recognized as proficient in accounting, finance, banking, tax, insurance, or a closely related field. The first report must be provided no later than January 1, 2010.

Section 8. All grant recipients shall agree to participate in an evaluation in order to receive a Financial Literacy grant. Subsequent grant approval and grant allocations must be dependent, in part, on the results of the evaluations. If an evaluation finds no progress has been made in meeting goals or implementing strategies as agreed to in the grant, the grant must be terminated.

Section 9. The purpose of the evaluation is to assess progress toward achieving the Financial Literacy goals and to determine the impact of the initiative on students at the state and local levels. The impact assessment shall include, but is not limited to, end-of-course evaluations and projects. During the course of the evaluation, if an evaluator determines that a state agency, district or entity has failed to comply with the coordination and collaboration provisions as required in this chapter, the final report must reflect that information. Program evaluation reports must be reported to the General Assembly no later than three months after conclusion of the evaluation.”

ARTICLE XVII - ESTABLISHMENT OF CROSS-AGENCY COLLABORATION

Section 1. It is the intent of the General Assembly that state agencies involved in financial matters shall actively provide non-financial support to the South Carolina Financial Literacy Initiative. The South Carolina Financial Literacy Board of Trustees shall establish a process for strengthening statewide, cross-agency collaboration effort.

Section 2. In addition to those agencies answering directly to the Governor, those agencies headed by boards and commissions or constitutional officers shall use their resources to provide non-financial support, as appropriate, toward the goals of the Financial Literacy Initiative reflected in Section 59-29-460 and the long-term plans of the initiative and to assure that relevant planning documents or processes are consistent with, and supportive of financial literacy.

ARTICLE XVIII- ASSETS ON LIQUIDATION

Section 1. In the event of dissolution or liquidation, the assets of the FLTB, after payment of debts and obligations, shall be transferred to the South Carolina Department of Education to be distributed to the districts to strengthen their local financial literacy efforts

Section 2 The allocations of the remaining funds must take into consideration the percentage of K–12 students who are eligible for the free and reduced price lunch program.

Approved by the South Carolina Financial Literacy Board of Trustees on January 23, 2007.